



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 30, 1997

Ms. Annette L. Tripp
Liddell, Sapp, Zivley, Hill & Laboon, L.L.P.
3400 Texas Commerce Tower
600 Travis
Houston, TX 77002-3095

Dear Ms. Tripp:

The Secretary of the Board of Governors of the Federal Reserve System, acting pursuant to authority delegated by the Board, and having considered the record of this notice in light of the relevant statutory factors, has approved the notice pursuant to section 4 of the Bank Holding Company Act, of Compass Bancshares, Inc., Birmingham, Alabama, along with Compass Banks of Texas, Inc., Birmingham, Alabama, and Compass Bancorporation of Texas, Inc., Wilmington, Delaware (collectively, "Compass"), to acquire Horizon Bancorp, Inc., Austin, Texas ("Horizon"), and its subsidiary, Horizon Bank & Trust, SSB, Austin, Texas, and thereby engage in operating a savings association. This activity has been determined by the Board to be closely related to banking under Section 225.25(b)(9) of the Board's Regulation Y (12 C.F.R. 225.25(b)(9)).

In approving this transaction, the Secretary has relied on all of the facts of record and all of the representations and commitments made by Compass in the notice and in related correspondence in light of the factors set forth in the BHC Act. These commitments are conditions imposed in writing in connection with the findings and decision herein, and, as such, may be enforced under applicable provisions of law.

Approval of this notice is subject to the Board's authority to require reports by, and make examinations of, holding companies and their subsidiaries and to require such modification or termination of activities of a holding

company or any of its subsidiaries as the Board finds necessary to assure compliance with the Act, and the Board's regulations and orders issued thereunder.

Compass's acquisition of Horizon should be consummated within three months after the effective date of this order, unless such period is extended by the Federal Reserve Bank of Atlanta. In connection with these provisions, advice of the fact of consummation should be given in writing to the Reserve Bank.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer J. Johnson", with a long horizontal flourish extending to the right.

Jennifer J. Johnson
Deputy Secretary of the Board

cc: Federal Reserve Bank of Atlanta
Department of Justice
Office of Thrift Supervision
Federal Deposit Insurance Corporation
Banking Commissioner of Texas